

LFC Requester:

Laird Graeser

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov) and email to billanalysis@dfa.nm.gov****(Analysis must be uploaded as a PDF)****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 2/11/25*Check all that apply:***Bill Number:** SB45Original ☐ Correction ☐Amendment ☒ Substitute ☐**Agency Name****and Code**

HCA-630

Number:**Sponsor:** Sen. Steinborn**Short** Additional Uses of County**Person Writing** Kresta Opperman**Title:** Indigent Health Funds**Phone:** (505)231-**Email** Kresta.opperman@hca**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Not known

Duplicates/Relates to Appropriation in the General Appropriation Act: Not known

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 45 (SB45) would amend the indigent hospital and county health care act to allow additional authorized uses of county health care assistance funds, such as coverage of premium and out-of-pocket costs.

The Senate Health and Public Affairs Committee (SHPAC) amendment strikes “health insurance policies” and adds “public or private health insurance or coverage”.

FISCAL IMPLICATIONS

The SHPAC amendment does not change the Health Care Authority’s previous analysis. SB 45-630 does not provide any appropriations to HCA.

Medicaid

SB 45-630 has no financial impact to New Mexico Medicaid as monthly premiums, copayments, or deductibles are not required. Out-of-pocket expenses would be outside of the scope of covered Medicaid benefits.

Health Care Affordability Fund Programs

No fiscal impact.

SIGNIFICANT ISSUES

Medicaid

New Mexico Medicaid does not require monthly premiums, copayments, or deductibles. Out-of-pocket expenses would be outside of the scope of covered Medicaid benefits.

Health Care Affordability Fund Programs

The Health Care Affordability Fund (HCAF) provides several premium and out-of-pocket assistance programs. Providing county indigent funds for these purposes could compliment HCAF programs by reaching populations that struggle with affordability challenges even with the resources available through the Fund. For example, some lower-income populations on BeWell, New Mexico’s Health Insurance Marketplace, may be able to find several affordable options but plans with their preferred health care providers in-network may be priced higher than they can afford. With the potential sunset of enhanced federal premium subsidies at the end of 2025, county indigent funds could provide a critical backstop for individuals who would become uninsured without additional support.

The BeWell Board of Directors has existing authority in state statute to accept third-party payments as described in SB 45. Under 59A-23F-6.1B, the Board must, in consultation with the Superintendent of Insurance, “establish policies and procedures that allow city, county and state governments, Indian nations, tribes and pueblos, tribal organizations, urban Native American organizations, private foundations and other entities to pay premiums and cost-sharing on behalf of qualified individuals consistent with federal requirements.” This is further supported under the Affordable Care Act by [45 CFR 156.1250](#) which states, “Issuers offering individual market QHPs . . . must accept premiums and cost-sharing payments for the QHPs from the following third-party

entities from plan enrollees . . . : . . . (c) A local, State, or Federal government program, including a grantee directed by a government program to make payments on its behalf.”

Regarding out-of-pocket costs, there are two possible ways in which county indigent funds could be used to support consumers. First, consumers could submit invoices for these costs directly to their county for payment or repayment. Second, counties could provide debit cards similar to those used with Flexible Spending Accounts (FSAs) to cover a specified amount of costs.

The HCA’s Coverage Expansion Program (CEP) for low-income individuals who do not qualify for other coverage programs is scheduled to launch on July 1, 2025. Affordable coverage will be offered through the New Mexico Medical Insurance Pool (the Pool), but a cap will be placed on enrollment due to limited program funding. Counties could establish arrangements with the HCA and the Pool to expand the number of slots available if the enrollment cap is hit. Alternatively, the county could purchase coverage directly through the Pool through its existing plans.

Coverage of premiums for employer-sponsored insurance also appears to be supported under SB 45. It is unclear whether the arrangement would occur between the employer and the county or directly with the employee.

PERFORMANCE IMPLICATIONS

The additional authorized uses may strengthen New Mexico’s healthcare provider network and therefore increase access to healthcare services by making the services more sustainable.

ADMINISTRATIVE IMPLICATIONS

No known administrative implication for New Mexico Medicaid.

No HCA IT impact. There is likely to be an IT impact for BeWell NM, which will need to develop processes and rules governing how its system handles third-party payments and transfers funds to insurers.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

SB 45 authorizes counties to cover premium costs, but given the wide variety of programs already available, the question of which program is responsible for which portion of the costs is likely to arise. Because county funding is typically more limited, it may be prudent to specify that the county may cover the premium net of any other federal or state premium affordability programs or employer contributions.

OTHER SUBSTANTIVE ISSUES

In general, processes would need to be established by each county to determine eligibility criteria, the types of coverage that qualify for premium support, and the arrangements necessary to effectuate, maintain, and renew coverage.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Some health care providers may not be able to sustain services, and some indigent patients may

avoid accessing health care services as a result of unaffordable monthly premiums or out-of-pocket expenses, such as copayments or deductibles.

AMENDMENTS

The Senate Health and Public Affairs Committee (SHPAC) amendment strikes “health insurance policies” and adds “public or private health insurance or coverage”.